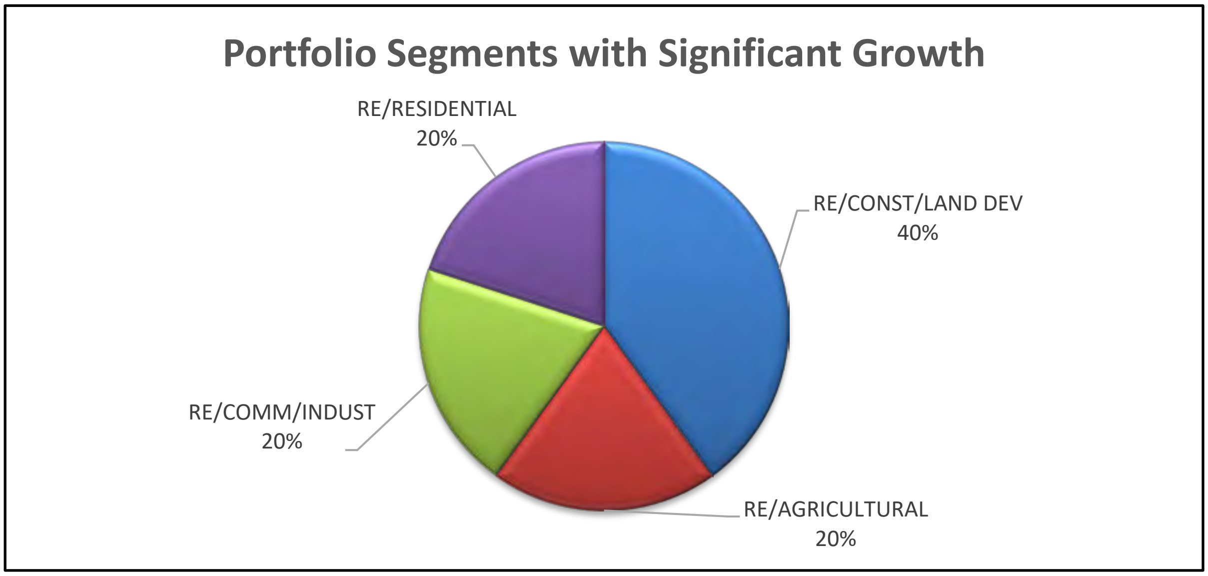
This survey is completed by bank examiners at the conclusion of each examination. Results are compiled from all banks examined during the quarter.

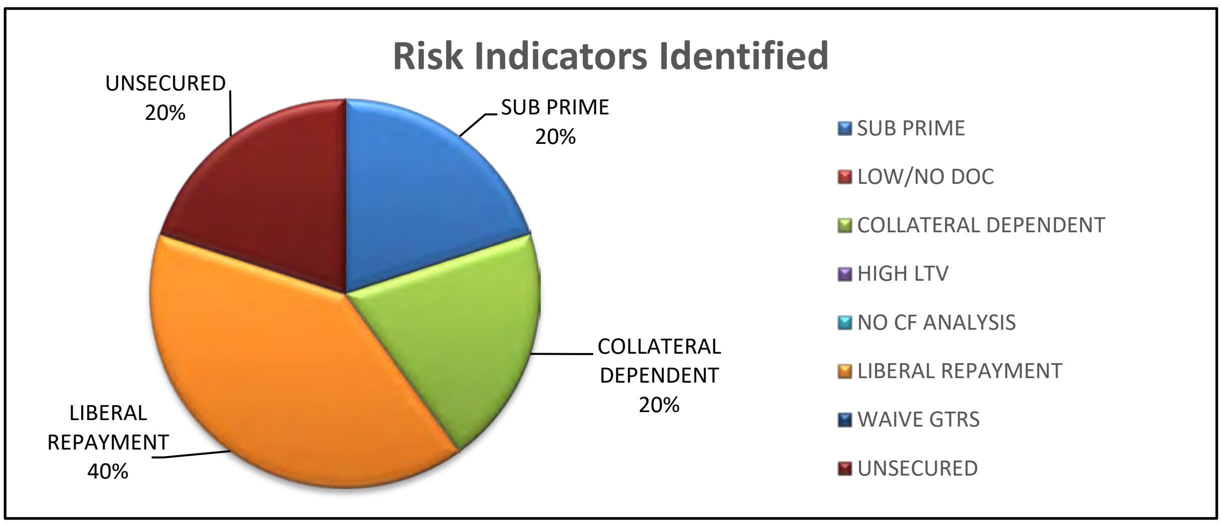
Date: **SECOND QUARTER 2019** Number of Banks Examined: **18**

LENDING

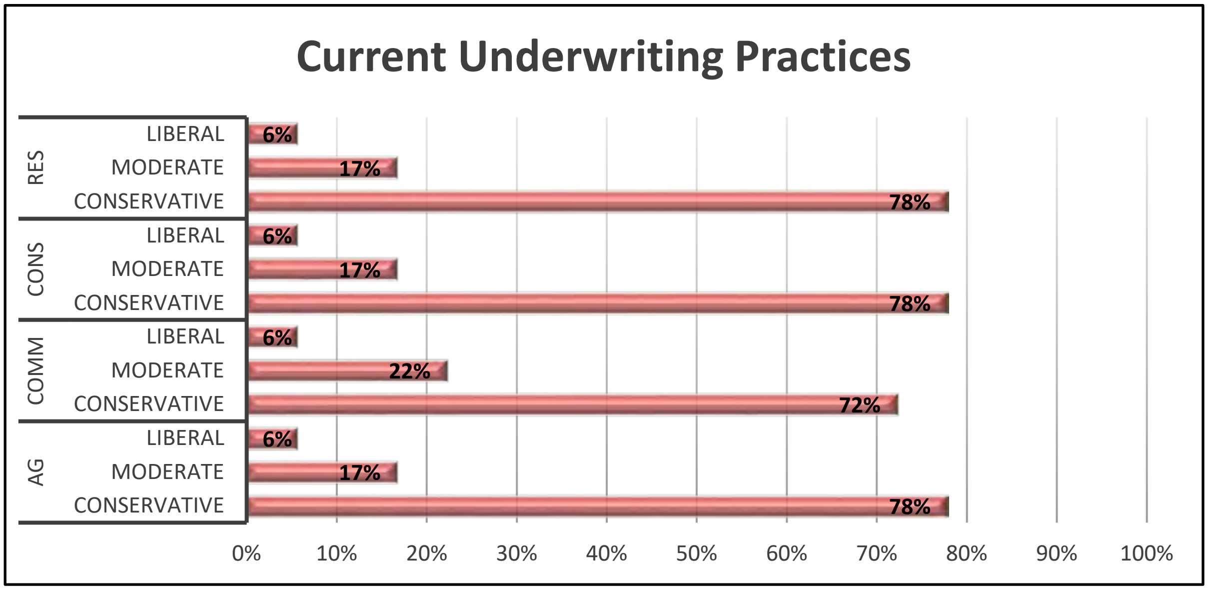
1. Since the last examinations, **4** banks had significant growth in at least one segment of the portfolio. Significant is defined as an increase of 20% or more. The following graph illustrates the portfolio segmentation of the identified growth.



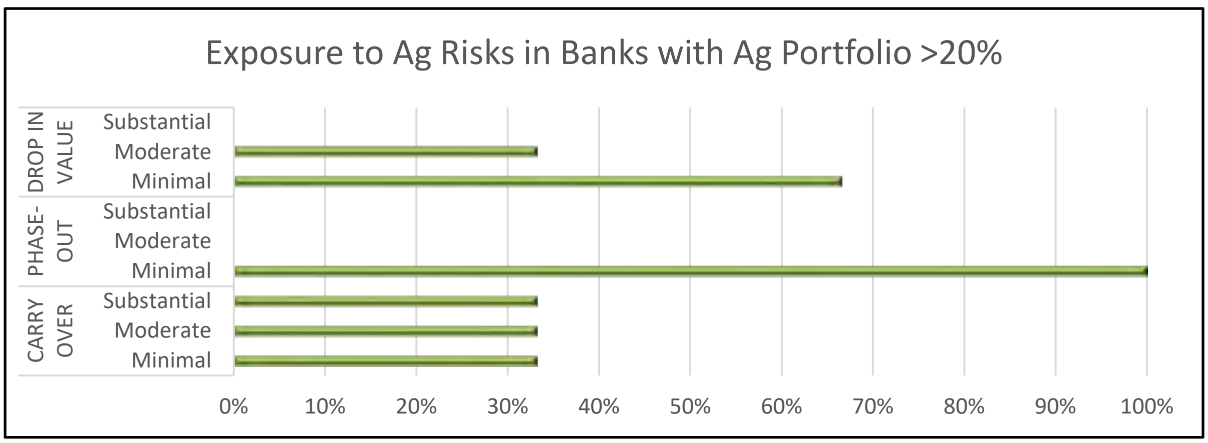
2. Indications of incurring "more than normal" risk when booking new loans or modifying existing credits were noted in **2** banks. These risk indicators are presented below.



3. The majority of the banks examined in this quarter remain conservative in underwriting practices across all loan types reviewed. The following graph reflects the current level of underwriting practices observed in each of the four main lending areas.

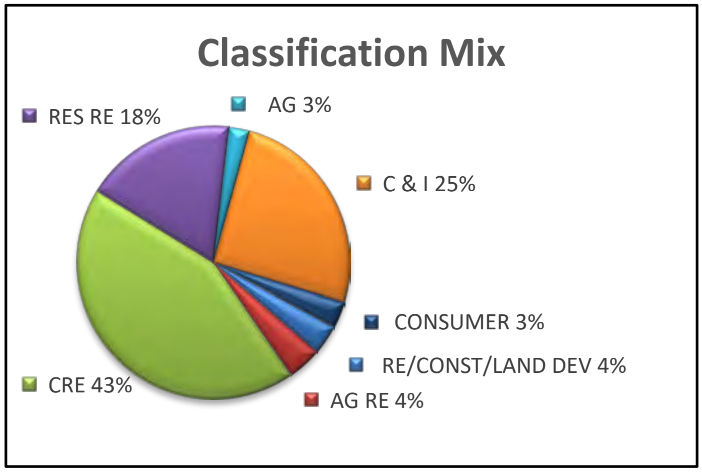


4. Agriculture loans represent more than 20% of total loans in **3** banks examined. The potential exposure to Ag risks in these banks is mostly minimal, with carryover representing the largest area of risk as shown below.



5. The Adversely Classified Items ratio increased in **7** of the banks examined. The most prominent reason for these increases was deterioration in existing loans, comprising 60%. Other reasons noted were the economic conditions, management changes, and deterioration in new loans booked since the last examination.

6. The mix of total loan classifications for all **18** banks is illustrated in the adjacent pie chart. CRE makes up the majority of classifications with C&I loans and Residential RE loans the next largest segments.



OPERATIONAL

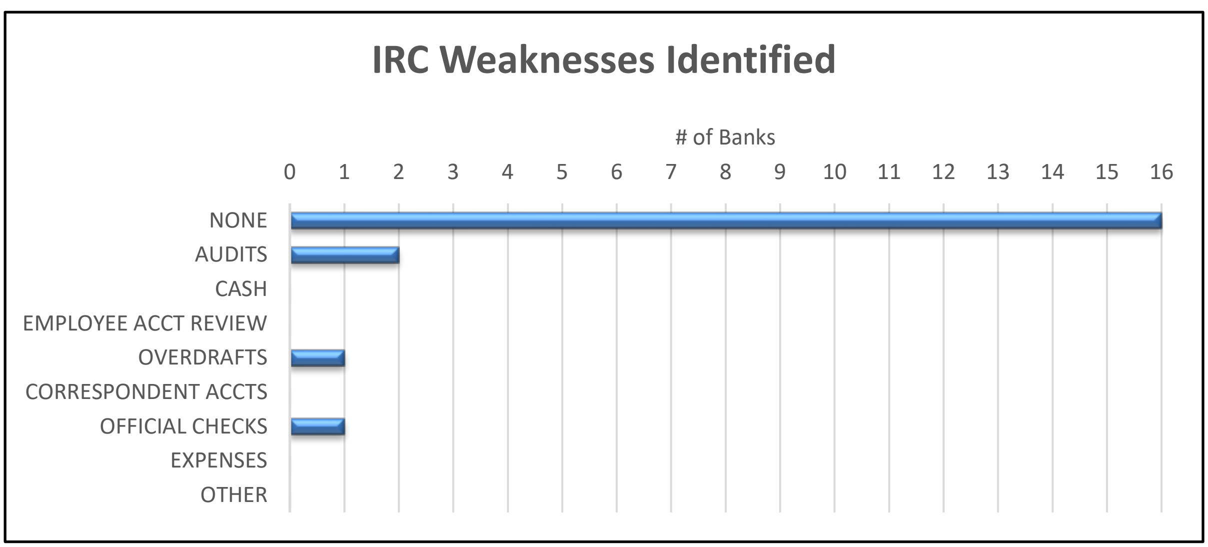
7. Banks examined during the quarter primarily exhibit conservative policies and practices in relation to investments. Only **3** banks were considered moderate risk with none in the liberal category.

8. Banks examined during the quarter also exhibited conservative policies and practices in relation to funds management. **4** banks were considered moderate with none in the liberal category.

9. Examinations identified funding concentrations in only **3** banks.

10. Examinations identified only **1** bank that holds a significant position in off-balance sheet derivatives. Significant is considered 10% of total assets.

11. The overall level of banks with Internal Routine and Control weaknesses is limited. The chart below represents the frequency that the following types of IRC weaknesses were observed.



12. Several of the banks examined engage in nontraditional activities. The following charts shows the types of activity observed.